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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

JUNIPER NETWORKS, INC. and  
APSTRA, INC..

Case No. 5:20-cv-03137-JD

20 Plaintiffs,

**SWARM TECHNOLOGY LLC'S MOTION  
TO DISMISS AMENDED COMPLAINT FOR  
LACK OF PERSONAL JURISDICTION AND  
IMPROPER VENUE, AND MEMORANDUM  
OF POINTS AND AUTHORITIES**

21 SWARM TECHNOLOGY LLC

Defendant

Date: May 20, 2021  
Time: 10:00 a.m.  
Location: Courtroom 11  
Judge: Hon. James Donato

1 PLEASE TAKE NOTICE THAT, on 20 May 2021, or as soon thereafter as the matter may  
 2 be heard in Courtroom 11 of the above-entitled court, located at 450 Golden Gate Avenue, San  
 3 Francisco, California, Defendant Swarm Technology, LLC (“Swarm”) will, and hereby does, move  
 4 under Federal Rules of Civil Procedure 12(b)(2) and (3) seeking the below specified relief.

5 RELIEF SOUGHT: Swarm seeks an order dismissing the Amended Complaint filed by  
 6 Juniper Networks, Inc. and Apstra, Inc. against Swarm Technology LLC on 2 April 2021;  
 7 alternatively, Swarm seeks an order transferring this matter to the Arizona District Court, where  
 8 personal jurisdiction and venue properly extend to all parties.

9 ISSUES TO BE DECIDED: This Court should dismiss the Amended Complaint for  
 10 Declaratory Judgment of Non-Infringement filed 2 April 2021, because the Court lacks personal  
 11 jurisdiction over Swarm, and because venue is improper in this District. Swarm respectfully  
 12 requests this Court to decide the following two issues:

13 **1. Swarm is an Arizona LLC with its only office in Mesa, Arizona. Plaintiffs Juniper and Apstra allege personal jurisdiction based on licensing letters Swarm sent to Juniper and Apstra in this District, and Swarm’s attendance at trade shows wholly unrelated to patent enforcement. However, personal jurisdiction in a declaratory judgment action for noninfringement exists only when a defendant has also engaged in “other activities” involving enforcement of the patent in the forum. Are the licensing letters and trade shows sufficient to support personal jurisdiction over Swarm in this District?**

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 20 **2. In a declaratory judgment action for noninfringement, venue is proper in the forum in which the patent holder resides, and not in a forum into which the patent owner has sent licensing letters. Juniper and Apstra argue that venue is proper because a substantial part of events took place in this District and because Swarm is allegedly subject to personal jurisdiction in this District. Is venue proper in this Court when Swarm and its patents reside in Arizona, and where this Court lacks personal jurisdiction over Swarm?**

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23  
24  
25  
26  
27  
28  
TABLE OF CONTENTSPage

|  |    |
|--|----|
| I. INTRODUCTION.....   | 1  |
| A. PROCEDURAL POSTURE .....  | 1  |
| B. SUMMARY OF ARGUMENT .....   | 1  |
| II. FACTUAL BACKGROUND.....  | 3  |
| A. SWARM PIONEERED A NEW COMPUTER ARCHITECTURE.....                        | 3  |
| B. SWARM HAS BEEN AWARDED THREE U.S. PATENTS .....                         | 4  |
| C. SWARM OFFERS TO LICENSE ITS PATENTS.....                                | 4  |
| D. SWARM ATTENDED THREE – AND ONLY THREE - TRADE SHOWS IN CALIFORNIA ..... | 6  |
| E. JUNIPER FILES SUIT AGAINST SWARM .....                                  | 7  |
| III. ARGUMENT .....  | 8  |
| A. PERSONAL JURISDICTION REQUIRES ENFORCEMENT ACTION.....                  | 8  |
| B. SWARM'S ACTIONS DO NOT SUPPORT PERSONAL JURISDICTION.....               | 11 |
| C. VENUE IS IMPROPER IN THIS DISTRICT.....                                 | 12 |
| IV. CONCLUSION .....   | 13 |

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
TABLE OF AUTHORITIES

Page(s)

## Cases

|    |   |             |
|----|---|-------------|
| 3  | <i>Adobe Sys. Inc. v. Tejas Research, LLC.</i> ,<br>(N.D. Cal. Nov. 13, 2009).....  | 1, 2, 9, 10 |
| 5  | <i>AFTG-TG, LLC v. Nuvoton Tech. Corp.</i> ,<br>689 F.3d 1358 (Fed. Cir. 2012) .....  | 9           |
| 6  | <i>APL Co. Pte v. Intergro Inc.</i> ,<br>2014 WL 4744410 (N.D. Cal. Sept. 22, 2014).....  | 11          |
| 7  | <i>Autogenomics, Inc. v. Oxford Gene Tech. Ltd.</i> ,<br>566 F.3d 1012 (Fed. Cir. 2009) .....                                     | 9           |
| 8  | <i>Autogenomics, Inc. v. Oxford Gene Tech., Ltd.</i> ,<br>2008 WL 7071464 (C.D. Cal. Jan. 17, 2008).....                          | 10          |
| 9  | <i>Autonomy, Inc. v. Adiscov, LLC</i> ,<br>2011 WL 2175551 (N.D. Cal. June 3, 2011) .....   | 1, 10       |
| 10 | <i>Avocent Huntsville Corp.</i> ,<br>552 F.3d 1324 (Fed. Cir. 2008) .....   | Passim      |
| 11 | <i>Breckenridge Pharm., Inc. v. Metabolite Labs., Inc.</i> ,<br>444 F.3d 1356 (Fed. Cir. 2006) .....                              | 10          |
| 12 | <i>Broadway Nat'l Bank v. Plano Encryption Techs., LLC</i> ,<br>173 F. Supp. 3d 469 (W.D. Tex. 2016) .....                        | 13          |
| 13 | <i>Campbell Pet Co. v. Miale</i> ,<br>542 F.3d 879 (Fed. Cir. 2008) .....   | 10          |
| 14 | <i>Database Am., Inc. v. Bellsouth Advert. &amp; Pub. Corp.</i> ,<br>825 F. Supp. 1216 (D.N.J. 1993).....                         | 13          |
| 15 | <i>Juniper Networks, Inc. v. SSL Services, LLC</i> ,<br>(N.D. Cal. Nov. 13, 2009).....  | 1, 2, 8     |
| 16 | <i>PHH Mortg. Corp. v. Barrett, Daffin, Frappier, Treder &amp; Weiss, LLP</i> ,<br>2016 WL 1588270 (N.D. Cal. Apr. 20, 2016)..... | 12          |
| 17 | <i>Pieczenik v. Dyax Corp.</i> ,<br>265 F.3d 1329 (Fed. Cir. 2001) .....  | 8, 9        |
| 18 | <i>Piedmont Label Co. v. Sun Garden Packing Co.</i> ,<br>598 F.2d 491 (9th Cir. 1979) .....                                       | 12          |
| 19 | <i>Radio Sys. Corp. v. Accession, Inc.</i> ,<br>638 F.3d 785 (Fed. Cir. 2011) .....   | 9           |
| 20 | <i>Square, Inc. v. Morales</i> ,<br>2013 WL 6199281 .....   | 9           |
| 21 | Statutes  |             |
| 22 | 28 U.S.C. § 1391(b) .....   | 12          |
| 23 | 28 U.S.C. § 1406(a) .....   | 12, 13      |
| 24 | 28 U.S.C. § 1631 .....  | 11          |
| 25 | 28 U.S.C. § 1391(b)(3).....   | 13          |

## **MEMORANDUM OF POINTS AND AUTHORITIES**

## I. INTRODUCTION

## A. **PROCEDURAL POSTURE**

Juniper filed its initial Complaint with this Court on 7 May 2020, seeking a declaration of noninfringement.<sup>1</sup> On 7 July 2020, Swarm filed a Motion to Dismiss the Complaint (or transfer it to Arizona) for, *inter alia*, lack of personal jurisdiction and improper venue.<sup>2</sup> On 14 September 2020, this Court found the Motion to Dismiss (the “Motion”) suitable for decision without oral argument, and vacated the hearing on the Motion as well as the case management conference then scheduled for 17 September 2020.<sup>3</sup>

On 2 April 2021, prior to this Court ruling on the Motion, Juniper and Apstra filed an Amended Complaint again seeking a declaratory judgment of noninfringement, and naming Apstra, Inc. as an additional plaintiff.<sup>4</sup> Swarm hereby moves to dismiss the Amended Complaint or, alternatively, to transfer this case to Arizona, based on essentially the same factual predicate and legal analyses set forth in Swarm’s original Motion.

## B. SUMMARY OF ARGUMENT

In declaratory judgment actions for non-infringement, this Court has consistently and unambiguously held that conducting licensing discussions with a forum resident, even when those discussions involve sending cease and desist letters into the forum<sup>5</sup> or actually *threatening* an infringement action against a forum resident,<sup>6</sup> are insufficient to support

<sup>1</sup> Dkt. #1.

2 Dkt. #18.

3 Dkt #29

4 Dkt #38

<sup>5</sup> *Juniper Networks, Inc. v. SSL Services, LLC*, Case No: C 08-5758 SBA at Page 3 (N.D. Cal. Nov. 13, 2009) (“In *Avocent*, the Federal Circuit held that sending cease and desist letters to an alleged infringer within the forum, standing alone, is insufficient to establish personal jurisdiction); citing *Avocent Huntsville Corp.*, 552 F.3d 1324, 1333 (Fed. Cir. 2008).

<sup>6</sup> *Adobe Sys. Inc. v. Tejas Research, Llc.*, No. C-14-0868 EMC (N.D. Cal. Sep. 17, 2014) at Page 3, Citing *Autonomy, Inc. v. Adiscov, LLC*, No. C11-0420 SBA, 2011 WL 2175551, at \*3 (N.D. Cal. June 3, 2011) ("[T]he act of threatening a party with an infringement lawsuit is,

1 personal jurisdiction over the patent holder. Instead, due process requires the patent holder  
 2 to have also engaged in “other activities”<sup>7</sup> demonstrating patent enforcement. In the context  
 3 of a declaratory judgment action for non-infringement, the plaintiff must establish that  
 4 the patent holder either: i) initiated judicial or extra-judicial patent enforcement actions  
 5 within the forum; or ii) otherwise imposed enforcement obligations upon a forum resident.<sup>8</sup>  
 6 Swarm has done neither; nor have Plaintiffs alleged such activities.  
 7

8 More particularly, the entirety of Swarm’s contacts in California comprise patent  
 9 licensing discussions – and nothing more. Swarm’s licensing overtures to Juniper and  
 10 Apstra included claim charts which map Swarm’s patent claims to Juniper’s and Apstra’s  
 11 respective products. These claim charts underscore Swarm’s diligence and good faith  
 12 efforts to avoid litigation in favor of a licensing arrangement. Swarm never sent a cease and  
 13 desist letter,<sup>9</sup> never issued an oral or written demand,<sup>10</sup> never commenced an enforcement  
 14 action (judicial or otherwise),<sup>11</sup> and never engaged in any predicate activity whatsoever of  
 15 the type required by this Court to confer personal jurisdiction.  
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 20 standing alone, insufficient to establish personal jurisdiction.”).

21 <sup>7</sup> *Juniper Networks v. SSL Services* at 3 citing *Avocent* at 1333 (“Rather, the court observed that  
 22 the Federal Circuit has ‘consistently required the defendant to have engaged in ‘other activities’  
 23 that relate to the enforcement or the defense of the validity of the relevant patents.’”).

24 <sup>8</sup> *Adobe v. Tejas* at 3, citing *Avocent* at 1334 (“In *Avocent*, the court noted that these ‘other  
 25 activities’ include ‘initiating judicial or extra-judicial patent enforcement within the forum.’”);  
 26 See also *Juniper Networks v. SSL Services* at 3 citing *Avocent* at 1334 (“Examples of these ‘other  
 27 activities’ include initiating judicial or extra-judicial patent enforcement *within the forum*, or  
 28 entering into an exclusive license agreement or other undertaking which imposes enforcement  
 obligations with a party residing or regularly doing business *in the forum*.”) (Emphasis in  
 original).

29 <sup>9</sup> Declaration of John A. Fisher ¶ 6, attached as Exhibit “A”; Declaration of Alfonso Iniguez ¶ 13,  
 30 attached as Exhibit B.

31 <sup>10</sup> Fisher Decl. ¶ 5; Iniguez Decl. ¶ 12.

32 <sup>11</sup> Fisher Decl. ¶ 5; at Iniguez Decl. ¶ 12.

1       Indeed, Plaintiffs cannot credibly argue that Swarm's licensing offers to California  
 2 residents somehow constitute the type of "other activities" which this Court has recognized  
 3 as supporting personal jurisdiction. Swarm's licensing activities simply do not. As detailed  
 4 below, regardless of the *extent* to which Swarm may have sought licensees in California,  
 5 those efforts are insufficient to confer personal jurisdiction unless Swarm *also engaged in*  
 6 ***other activities.*** Because Swarm did not engage in "other activities," Plaintiffs have not  
 7 established and cannot establish a *prima facie* case of personal jurisdiction over Swarm. No  
 8 amount of jurisdictional discovery can change this conclusion.

9       For the foregoing reasons and as discussed more fully below, this Court lacks  
 10 personal jurisdiction over Swarm, and Plaintiff's Amended Complaint for Declaratory  
 11 Judgment of Non-Infringement should therefore be dismissed. In the alternative, Swarm  
 12 requests this Court to exercise its plenary authority to transfer this matter to the District of  
 13 Arizona, where Swarm resides and personal jurisdiction extends to all parties.

14       II.     **FACTUAL BACKGROUND**

15       A.     **SWARM PIONEERED A NEW COMPUTER ARCHITECTURE**

16       Alfonso Iñiguez ("Iñiguez") is the founder of Swarm Technology LLC, an Arizona  
 17 limited liability corporation based in Mesa, Arizona. Iñiguez holds a Master of Science in  
 18 electrical engineering and has 30 years' experience working with computer chips. When  
 19 Iñiguez first began working with computers, the typical architecture (the protocols that  
 20 describe the operation of a computer system) involved a central processing unit (CPU)  
 21 configured to directly control one or more secondary processors.

22       Iñiguez realized that existing architectures overburdened the CPU and frequently left  
 23 co-processors idle. Iñiguez envisioned a revolutionary new architecture having a central  
 24 controller configured to populate a task pool with a plurality of discrete tasks to be  
 25

1 performed by the co-processors (or “agents”). In this new paradigm, the central controller  
 2 need not communicate directly with the co-processors, and the co-processors need not wait  
 3 for instructions from the central controller (the co-processors operate autonomously). This  
 4 dramatically increases the speed, scalability, and processing capacity of the system.<sup>12</sup>

5 Iñiguez formed Swarm on 17 January 2014 to develop and commercialize his new  
 6 architecture.

7 **B. SWARM HAS BEEN AWARDED THREE U.S. PATENTS**

8 Iñiguez applied for patents in the United States, the European Union, Japan, India,  
 9 China, Hong Kong and under the Patent Cooperation Treaty. In addition to patents issued  
 10 by patent authorities in other countries, the United States Patent and Trademark Office  
 11 issued the following three patents: United States Patent No. 9,146,777 (the “777 Patent”);  
 12 United States Patent No. 9,852,004 (the “004 Patent”); and United States Patent No.  
 13 10,592,275 (the “275 Patent”), (collectively, “the Patents” or “the Patents-in-Suit”). The  
 14 Patents cover many applications to computers, networks, cloud computing, and internet of  
 15 things devices.<sup>13</sup>

16 **C. SWARM OFFERS TO LICENSE ITS PATENTS**

17 After Iñiguez assigned the Patents to Swarm<sup>14</sup>, Swarm endeavored to license the  
 18 Patents while it continued to develop its multi-processor technology and related  
 19 applications. To assist with these licensing efforts, Swarm enlisted John Fisher, a patent  
 20 agent and licensing specialist, with extensive industry experience. Fisher contacted  
 21 potential licensing prospects, including Juniper and Apstra.

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 23 <sup>12</sup> A simple diagram of Swarm’s invention is found at <https://vimeo.com/150450660> and  
 24 <https://vimeo.com/150743111>.

25 <sup>13</sup> Examples of these applications can be found: <https://vimeo.com/150759740>;  
 26 <https://vimeo.com/150744874>; <https://vimeo.com/244579285>; and <https://vimeo.com/177881911>.

27 <sup>14</sup> Iñiguez, the inventor, assigned the Patents to Swarm, as follows: the ‘777 Patent was filed on  
 28 25 Jan 2013, assigned to Swarm on 08 Jul 2015, and issued 29 Sep 2015; the ‘004 Patent was  
 filed on 24 Jul 2014, assigned to Swarm on 10 Mar 2017, and issued 26 Dec 2017; and, the ‘275  
 Patent was filed on 22 Dec 2017, assigned to Swarm on 22 Dec 2017, and issued 17 Mar 2020.

1       Between 16 July 2018, and 4 May 2020, Fisher corresponded with various  
 2 representatives at Juniper, Apstra, and other companies both within and outside this District  
 3 promoting license opportunities. For example, on 5 July 2019, Fisher wrote a letter to Rami  
 4 Rahim (Juniper's CEO) and Brian Martin (Juniper's general counsel), <sup>15</sup> stating:

5       The purpose of this letter is to highlight a licensing opportunity  
 6 relating to zero-touch provisioning; ***this letter is not and should  
 not be construed as an accusation of infringement.***

7 (Emphasis added.)

8       Fisher also said that "Swarm is now seeking to license its patents to a number of  
 9 hardware and software providers" and "would welcome an opportunity to meet with you to  
 10 discuss terms of a non-exclusive license." In an attempt to persuade Juniper to take a  
 11 license, Fisher also included a copy of the '004 Patent and a claim chart that demonstrated  
 12 why Juniper should take a license. At no time did Fisher threaten to sue Juniper.

13       In an email dated 13 September 2019,<sup>16</sup> Fisher added:

14       I have also attached a draft licensing agreement for your  
 15 consideration. In the draft, Section 1.3 LICENSED  
 16 PRODUCTS is left blank. I leave it to you to fill in the blank  
 17 with a definition that is appropriate for Juniper products.  
 18 Section 3 provides a broad license under Swarm Patents.  
 19 Section 4, the payment section, also contains blanks that are to  
 be the subject of negotiation. Although Swarm proposes a  
 running royalty (in the range of 1%), as I have noted in the past,  
 a much more favorable settlement is available to early  
 licensees. Swarm is open to alternate settlements such as a lump  
 sum payment or fixed payments over time.

20       In an email dated 6 November 2019, Fisher persisted:<sup>17</sup>

21       ***I was surprised and disappointed by your email of October 24  
 saying Juniper is not interested in taking a license at this time.  
 In the interest of continuing the good faith discussions both  
 parties have been pursuing, I would like to make a few  
 observations.***

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 26       <sup>15</sup> Dkt. #18-4 at Fisher Decl., Exhibit 1.  
 27       <sup>16</sup> Dkt. #18-4 at Fisher Decl., Exhibit 5.  
 28       <sup>17</sup> Dkt. #18-4 at Fisher Decl., Exhibit 7.

1           From the very beginning, *Swarm has couched its*  
 2 *correspondence as a "licensing opportunity."* Swarm is in  
 3 communication with several other companies -your  
 4 competitors. As I have stated repeatedly, *the first licensee will*  
*enjoy much more favorable licensing terms.* The first licensee  
 will therefore be at a competitive advantage with respect to  
 other players in the parallel processing field.

5 (Emphasis added.)

6           On 6 April 2020 and after the '275 Patent issued, Fisher wrote:

7           When we spoke in December as a follow up to back and forth  
 8 emails of October and November you said Juniper was not  
 interested in taking a license under the Swarm patents.

9           \*\*\*

10           A new patent, 10,592,275, has recently been issued to Swarm.

11           \*\*\*

12           As I have said from the beginning, Swarm is willing to offer a  
 13 license under all of its patents on terms that will be fair to all  
 14 licensees; the most favorable terms will be available to an early  
 licensee. I look forward to discussing such a licensing  
 opportunity with you.

15           In a letter to Apstra dated 16 April 2020, Fisher notes that he had written "on three  
 16 previous occasions to bring to [Apstra's] attention the relationship between [AOS] and  
 17 technology developed and patented by Swarm," including Swarm's '004 Patent and '275  
 18 Patent.<sup>18</sup> The 16 April 2020 letter included a claim chart mapping claim 11 of the '275  
 19 Patent to Apstra's AOS.<sup>19</sup>

20           D.    **SWARM ATTENDED THREE – AND ONLY THREE - TRADE**  
**SHOWS IN CALIFORNIA**

21           During 2017 and 2018, Mr. Iñiguez attended a total of three (3) trade shows in  
 22 California (specifically in May 2017, November 2017, and May 2018) to promote his  
 23 technology and to seek potential licensees.<sup>20</sup> Other than these three trade shows, neither Mr.  
 24 Iñiguez, nor any other Swarm representative, has entered the State of California on behalf

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26           <sup>18</sup> Dkt. #38, ¶ 37.

27           <sup>19</sup> Dkt. #38, ¶ 38.

28           <sup>20</sup> Iniguez Decl. ¶ 4.

1 of Swarm at any time or for any purpose whatsoever.<sup>21</sup> Neither Mr. Iñiguez, nor anyone  
 2 else representing Swarm, had any contact with Juniper or Apstra during the trade shows.<sup>22</sup>  
 3 Despite Plaintiffs' suggestion to the contrary, no licensing activity took place during the  
 4 trade shows.<sup>23</sup> In particular, although Swarm displayed a sign at its booth announcing that  
 5 licenses were available, no licensing discussions ever took place with Juniper, Apstra, or  
 6 anyone else, no draft license agreements were exchanged (none were available), and no  
 7 licensing terms were proposed to or discussed with anyone.<sup>24</sup> Simply stated, while Mr.  
 8 Iñiguez had hoped to generate some interest among potential licensees at the trade shows,  
 9 his efforts were unsuccessful.<sup>25</sup>

10 **E. JUNIPER FILES SUIT AGAINST SWARM**

11 Significantly, not a single communication from Swarm to Juniper, Apstra, or anyone  
 12 else – whether written or oral – included any demand or deadline, and Swarm never  
 13 threatened any type of judicial or extra-judicial enforcement action against anyone at any  
 14 time whatsoever.<sup>26</sup> Nor has Swarm entered into a single license agreement – whether  
 15 exclusive or non-exclusive – with anyone within or outside of California.<sup>27</sup>

16 On 7 May 2020, after abruptly terminating licensing discussions<sup>28</sup> and without any  
 17 notice to Swarm, Juniper filed its Complaint for Declaratory Judgment of Non-  
 18 Infringement.<sup>29</sup>

19 On 7 July 2020, Swarm moved to dismiss the original complaint (or transfer it to  
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21 Iniguez Decl. ¶ 5; Fisher Decl. ¶ 1.

22 Iniguez Decl. ¶ 6.

23 Iniguez Decl. ¶ 7.

24 Iniguez Decl. ¶ 7.

25 Iniguez Decl. ¶ 8.

26 Iniguez Decl. ¶ 12; Fisher Decl. ¶ 5.

27 Iniguez Decl. ¶ 15; Fisher Decl. ¶ 8.

28 Iniguez Decl. ¶ 9; Fisher Decl. ¶ 2.

29 Dkt #1.

1 Arizona) based on lack of personal jurisdiction and improper venue.<sup>30</sup> On 14 September  
 2 2020, this Court found the Motion to Dismiss (the “Motion”) suitable for decision without  
 3 oral argument, and vacated the hearing on the Motion as well as the case management  
 4 conference then scheduled for 17 September 2020.<sup>31</sup>

5 On 2 April 2021, Juniper and Apstra filed an Amended Complaint, again seeking a  
 6 declaration of noninfringement and naming Apstra. as an additional plaintiff.<sup>32</sup> For the  
 7 same reasons set forth in Swarm’s Motion to Dismiss Juniper’s original Complaint and as  
 8 further discussed herein, Swarm hereby moves this Court to dismiss the Amended  
 9 Complaint (or, in the alternative, transfer it to Arizona).

10 **III. ARGUMENT**

11       **A. PERSONAL JURISDICTION REQUIRES ENFORCEMENT**  
 12       **ACTION**

13       In a suit seeking a declaration of non-infringement, Federal Circuit law is applied to  
 14 determine whether a district court has personal jurisdiction over a non-resident patent  
 15 owner.<sup>33</sup> As the party seeking to invoke the court’s jurisdiction, the burden of demonstrating  
 16 personal jurisdiction is on the plaintiff.<sup>34</sup> Swarm is an Arizona LLC and operates out of a  
 17 single facility in Mesa, Arizona. Swarm is therefore not subject to general jurisdiction in  
 18 the Northern District of California; there is no dispute on this issue.

19       In a declaratory judgment action for noninfringement, “[t]he relevant inquiry for  
 20 specific personal jurisdiction purposes then becomes to what extent has the defendant  
 21 patentee ‘purposefully directed [such enforcement activities] at residents of the forum,’ and  
 22 the extent to which the declaratory judgment claim ‘arises out of or relates to those

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<sup>30</sup> Dkt. #18.

25       <sup>31</sup> Dkt. #29.

26       <sup>32</sup> Dkt. #38.

27       <sup>33</sup> *Juniper Networks, Inc. v. SSL Services, LLC*, Case No: C 08-5758 SBA (N.D. Cal. Nov. 13,  
 2009), citing *Avocent Huntsville Corp. v. Aten Int’l Co.*, 552 F.3d 1324, 1328 (Fed. Cir. 2008).

28       <sup>34</sup> See *Piecznik v. Dyax Corp.*, 265 F.3d 1329, 1333 (Fed. Cir. 2001).

1 activities.”<sup>35</sup> Merely sending a “cease-and-desist” letter or “infringement” letter is not  
 2 enough to establish personal jurisdiction.<sup>36</sup>

3 In determining whether specific jurisdiction exists, California courts apply the three-  
 4 part analysis articulated in *Adobe Sys. Inc. v. Tejas Research*:<sup>37</sup> (1) Whether the defendant  
 5 purposefully directed activities at the forum's residents (by purposefully availing itself of  
 6 the forum)<sup>38</sup>; (2) whether the claim arises out of (or relates to) those activities; and (3)  
 7 whether assertion of personal jurisdiction is “reasonable and fair.”<sup>39</sup>

8 When applying the reasonableness factor in a declaratory judgment action for non-  
 9 infringement, “not all of a patentee's activities in the forum state”<sup>40</sup> are relevant to personal  
 10 jurisdiction. Rather, a declaratory judgment claim “arises out of or relates to the activities  
 11 of the defendant patentee in enforcing the patent or patents in suit.”<sup>41</sup> Consequently, “only  
 12 those activities of the patentee that relate to the enforcement or defense of the patent can  
 13 give rise to specific personal jurisdiction for such an action.”<sup>42</sup> The Court must therefore  
 14 “examine the jurisdictional facts for conduct whereby the patentee 'may be said to  
 15 purposefully avail itself of the forum and to engage in activity that relates to the validity  
 16 and enforceability of the patent.”<sup>43</sup>

17 In *Juniper Networks* (citing *Avocent*), the Federal Circuit held that cease and desist  
 18 letters sent to an alleged infringer within the forum, standing alone, are insufficient to  
 19

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20 <sup>35</sup> *Avocent* at 1332.

21 <sup>36</sup> *Id.* At 1333.

22 <sup>37</sup> *Adobe Sys. Inc. v. Tejas Research, Llc.*, No. C-14-0868 EMC (N.D. Cal. Sep. 17, 2014).

23 <sup>38</sup> *Id.*, citing *Autogenomics, Inc. v. Oxford Gene Tech. Ltd.*, 566 F.3d 1012, 1020 (Fed. Cir. 2009)).

24 <sup>39</sup> *Id.*, citing *AFTG-TG, LLC v. Nuvoton Tech. Corp.*, 689 F.3d 1358, 1361 (Fed. Cir. 2012).

25 <sup>40</sup> *Id.*, citing *Radio Sys. Corp. v. Accession, Inc.*, 638 F.3d 785, 789 (Fed. Cir. 2011).

26 <sup>41</sup> *Id.*, (quoting *Avocent Huntsville Corp. v. Aten Int'l Co., Ltd.*, 552 F.3d 1324, 1332 (Fed. Cir. 2008)).

27 <sup>42</sup> *Id.*, quoting *Square, Inc. v. Morales*, No. C13-01431 SBA, 2013 WL 6199281, at \*4 (N.D. Cal. Nov. 27, 2013) (citing *Avocent*, 552 F.3d 1324, 1332).

28 <sup>43</sup> *Id.*, citing *Autogenomics*, 566 F.3d at 1020.

1 establish personal jurisdiction.<sup>44</sup> The Federal Circuit has also held that a patent holder who  
 2 merely threatens a forum resident with an infringement action is not subject to personal  
 3 jurisdiction.<sup>45</sup> Instead, the Federal Circuit has "consistently required the defendant to  
 4 have engaged in 'other activities' that relate to the enforcement or the defense of the  
 5 validity of the relevant patents."<sup>46</sup> Such "other activities" include initiating judicial or  
 6 extra-judicial patent enforcement within the forum, or entering into an exclusive license  
 7 agreement or other undertaking which imposes enforcement obligations with a party  
 8 residing or regularly doing business in the forum.<sup>47</sup> "Extra-judicial" enforcement occurs  
 9 when a patentee affirmatively impedes the free movement of allegedly infringing goods  
 10 through commerce, for example by seeking to remove them from a trade show.<sup>48</sup>

11 Even where a patent owner enters into multiple license agreements with forum  
 12 residents, personal jurisdiction is still lacking unless the agreements also give the patent  
 13 owner control over the licensee's sales activities.<sup>49</sup> That is, even substantial licensing  
 14 activities resulting in multiple license agreements with forum residents are insufficient to  
 15 confer personal jurisdiction unless the agreements create exclusive relationships between  
 16 the patentee and residents of the forum.<sup>50</sup>

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18 <sup>44</sup> *Juniper Networks* at 3, citing *Avocent* at 552 F.3d at 1333.

19 <sup>45</sup> *Id.*, citing *Autonomy, Inc. v. Adiscov, LLC*, No. C11-0420 SBA, 2011 WL 2175551, at \*3  
 20 (N.D. Cal. June 3, 2011) ("[T]he act of threatening a party with an infringement lawsuit is,  
 standing alone, insufficient to establish personal jurisdiction.").

21 <sup>46</sup> *Id.*, citing *Avocent* at 1334.

22 <sup>47</sup> *Id.*

23 <sup>48</sup> *Campbell Pet Co. v. Miale*, 542 F.3d 879, 886 (Fed. Cir. 2008) ("[The patent owner] attempted  
 24 to have Campbell's allegedly infringing products removed from the convention").

25 <sup>49</sup> See, e.g., *Breckenridge Pharm., Inc. v. Metabolite Labs., Inc.*, 444 F.3d 1356, 1366 (Fed. Cir.  
 26 2006) (noting no personal jurisdiction where the "defendant has successfully licensed the patent  
 27 in the forum state, even to multiple non-exclusive licensees, but does not, for example, exercise  
 28 control over the licensee's sales activities and, instead, has no dealings with those licensees  
 beyond the receipt of royalty income").

29 <sup>50</sup> See *Autogenomics, Inc. v. Oxford Gene Tech., Ltd.*, No. SACV 07-846-MRP (ANx), 2008 WL  
 30 7071464 (C.D. Cal. Jan. 17, 2008), aff'd 566 F.3d 1012 (Fed. Cir. 2009) ("Extensive authority  
 31 supports the proposition that other licensing activities with in-state entities, even if substantial, are  
 32 generally insufficient for specific jurisdiction unless they create exclusive relationships between  
 33 the patentee and residents of the forum.").

1                   **B. SWARM'S ACTIONS DO NOT SUPPORT PERSONAL**  
 2                   **JURISDICTION**

3                   This Court has consistently refused to exert personal jurisdiction over a patentee –  
 4                   regardless of the extent of his licensing efforts - who has not also either: i) initiated a judicial  
 5                   or extra-judicial enforcement action; ii) entered into an exclusive license agreement; or iii)  
 6                   otherwise imposed enforcement obligations upon a party residing in or regularly doing  
 7                   business in the forum. In the present case, the entirety of Swarm's contacts with Juniper  
 8                   consist of a dozen letters and emails surrounding licensing discussions. To the extent Swarm  
 9                   attended trade shows in California, Swarm had no contact with Juniper and no licensing  
 10                  discussions or enforcement activities took place.

11                  Swarm has never signed a license agreement, sent a cease and desist letter, issued an  
 12                  oral or written demand, or commenced any enforcement action of any kind with anyone,  
 13                  inside or outside California. Because Swarm has not performed a single predicate act of the  
 14                  type required to support personal jurisdiction, this Court may not properly exercise personal  
 15                  jurisdiction over Swarm.

16                  Notably, Juniper has not even alleged facts which purport to establish a *prima facie*  
 17                  case of personal jurisdiction. Rather, Juniper simply declares that Swarm's licensing efforts  
 18                  constitute "enforcement activities" which somehow satisfy the "other activities"  
 19                  requirement. Juniper essentially argues that the extent of Swarm's licensing efforts renders  
 20                  them sufficient to support personal jurisdiction. However, as explained above, mere  
 21                  licensing activity – regardless of its extent - cannot satisfy the due process requirement for  
 22                  personal jurisdiction absent "other activities" which are not present here.

23                  Because this Court lacks personal jurisdiction over Swarm, the Amended Complaint  
 24                  should be dismissed or transferred to Arizona.<sup>51</sup>

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 26                  

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 27                  <sup>51</sup> 28 U.S.C. § 1631 authorizes this Court to transfer the case to the District of Arizona; *APL Co.*  
 28                  *Pte v. Intergro Inc*, No. 14-CV-00488-JD, 2014 WL 4744410, at \*4 (N.D. Cal. Sept. 22, 2014)  
 29                  (Donato, J.) (transferring case under 28 U.S.C. § 1631 when the court lacked personal jurisdiction  
 30                  over the defendant).

1                   C.    **VENUE IS IMPROPER IN THIS DISTRICT**

2                   This Court need not address venue specifically, since it lacks personal jurisdiction  
 3 over Swarm in any event. However, even if venue is proper in the Northern District, venue  
 4 is more appropriate in Arizona where Swarm resides and is subject to personal jurisdiction.

5                   Moreover, “[o]nce the defendant has challenged the propriety of venue in a given  
 6 court, the plaintiff bears the burden of showing that venue is proper.”<sup>52</sup> In evaluating a Rule  
 7 12(b)(3) motion to dismiss for improper venue, the pleadings need not be accepted as true,  
 8 and the Court may consider facts outside the pleadings.<sup>53</sup>

9                   Venue is proper in:

10                   (1) a judicial district in which any defendant resides, if all  
 11 defendants are residents of the State in which the district is  
 located;

12                   (2) a judicial district in which a substantial part of the events or  
 13 omissions giving rise to the claim occurred, or a substantial part  
 of property that is the subject of the action is situated; or

14                   (3) if there is no district in which an action may otherwise be  
 15 brought as provided in this section, any judicial district in which  
 any defendant is subject to the court's personal jurisdiction with  
 respect to such action.<sup>54</sup>

16                   If venue is improper, then the court “shall dismiss, or if it be in the interest of justice, transfer  
 17 such case to any district or division in which it could have been brought.”<sup>55</sup>

18                   Plaintiffs do not contend that venue is proper under subsection 1. Nor could they  
 19 because Swarm resides only in Arizona. Instead, Plaintiffs argue that venue is proper  
 20 because “substantial parts of the events” occurred in the Northern District of California and  
 21 because Swarm is subject to the Court’s personal jurisdiction. Plaintiffs are mistaken in  
 22 this regard.

24                   <sup>52</sup> *E.g., Piedmont Label Co. v. Sun Garden Packing Co.*, 598 F.2d 491, 496 (9th Cir. 1979)  
 25 (reversing denial of motion for summary judgment of improper venue).

26                   <sup>53</sup> *PHH Mortg. Corp. v. Barrett, Daffin, Frappier, Treder & Weiss, LLP*, No. 15-CV-04711-JD,  
 2016 WL 1588270, at \*2 (N.D. Cal. Apr. 20, 2016) (Donato, J.) (finding improper venue and  
 transferring the case).

27                   <sup>54</sup> 28 U.S.C. § 1391(b).

28                   <sup>55</sup> 28 U.S.C. § 1406(a).

1        In a declaratory judgment action for noninfringement, the “substantial part of events  
 2 giving rise to the claim” is not the “offer to negotiate a non-exclusive license . . . . Rather,  
 3 ‘the source of the cause of action for noninfringement is the ownership and existence of the  
 4 copyright or patent.’”<sup>56</sup> Thus, the substantial part of events is where Swarm is located.<sup>57</sup>

5        Swarm is an Arizona based limited liability company with its place of business in  
 6 Mesa, Arizona. Iñiguez developed his invention in Mesa, Arizona. Swarm owns the  
 7 Patents-in-Suit in Arizona. The only contacts with Juniper and/or Apstra in California  
 8 surround sending a series of letters offering a license. Thus, a “substantial part of the  
 9 events” for present purposes occurred in Arizona and not the Northern District of California.  
 10 Because a substantial part of the events occurred outside the Northern District of California,  
 11 venue is improper in this District and the Court should dismiss the Amended Complaint for  
 12 this reason also.

13        As to the last venue provision, Section 1391(b)(3) says venue is proper in “any  
 14 judicial district in which any defendant is subject to the court’s personal jurisdiction with  
 15 respect to such action.”<sup>58</sup> As explained above, the Court may not properly exercise personal  
 16 jurisdiction over Swarm and, therefore, venue is improper for this reason also.

17        This action clearly could have (and should have) been filed in the District of Arizona,  
 18 where Swarm is incorporated. Iñiguez and his family operate Swarm out of their home in  
 19 Mesa, Arizona. The only non-family “employee” of Swarm is John Fisher, who also lives  
 20 in Arizona. Thus, the Court should transfer the case to the District of Arizona.<sup>59</sup>

#### 21        **IV. CONCLUSION**

22        Plaintiffs have not established and cannot establish that Swarm initiated judicial or

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24        <sup>56</sup> *Broadway Nat'l Bank v. Plano Encryption Techs.*, LLC, 173 F. Supp. 3d 469, 479 (W.D. Tex.  
 25 2016).

26        <sup>57</sup> *Id.* at 479-80.; *see also Database Am., Inc. v. BellSouth Advert. & Pub. Corp.*, 825 F. Supp.  
 27 1216, 1225 (D.N.J. 1993) (sending a cease-and-desist letter is not a substantial activity giving rise  
 28 to venue).

29        <sup>58</sup> 28 U.S.C. § 1391(b)(3).

30        <sup>59</sup> 28 U.S.C. § 1406(a)

1 extra-judicial patent enforcement activities in California, or that Swarm otherwise imposed  
2 enforcement obligations upon a forum resident. Because Swarm is not subject to personal  
3 jurisdiction in the Northern District, this Court should either dismiss Juniper's Complaint  
4 outright or, alternatively, transfer this matter to Arizona. No amount of jurisdictional  
5 discovery or re-drafting can cure the jurisdictional defects in the Amended Complaint.

6 Dated: April 16, 2021

7 Respectfully submitted,

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9  
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